

John Austin Comment – May 2, 2007

From: John Austin [mailto:austin4102000@yahoo.com]

Sent: Wednesday, May 02, 2007 11:41 AM

To: Howatt Robert (DOS); Nickerson Karen J (DOS)

Subject: RFP Cost projections

The average price difference of all the scenarios evaluated is \$12.78. However, The SOS customer would not be getting all their power from the wind farm alone. According to the Delmarva Load Duration curves the 400MW max that they would purchase would supply the load just 40% of the time, so at most the impact of the wind farm on average over the next 25 years would be around \$5.11.

Even this projection may be high.

The PJM rates the off-shore wind project at 120MW in the summer initially, and this is projected to increase to 194MW as performance is shown over 3 years. So at a minimum the wind farm is projected to be 120MW or 30% of the supply 40% of the time. Now the low end cost estimate is just \$1.54.

Due to increased gas costs, our rates go up again June 1 to an average of \$145/1000kwh. Give the increaseing cost of natural gas, the high gas analysis shows the increased benifits of wind as a price stabilizer.

Make Delaware a "CLEANER SMARTER DELAWARE."

		400MW	194MW	120MW
average	\$12.78	\$5.112	\$2.4793	\$1.5413
Max	\$17.65	\$7.06	\$3.4241	\$2.118
Min	\$9.01	\$3.604	\$1.7479	\$1.0812

John Austin Comment – May 3, 2007

From: John Austin [mailto:austin4102000@yahoo.com]

Sent: Thursday, May 03, 2007 7:25 PM

To: Markell Jack (Treasury); Schwartzkopf Peter (LegHall); Gary Simpson; Walling Lee Ann (Governor); Carney Jr. John C. (Lt Governor); Adams Thurman (LegHall); Deluca Anthony (LegHall); Cathcart Richard (LegHall); Spence Terry (LegHall); Nickerson Karen J (DOS)

Subject: DP&L

If Delmarva will not negotiate its time for regulation and the forfeiture of the service area.

What DP&L fears is the path back to regulation, and the longterm contract is step one. Long term contract equals limits on increased profit growth. They can accept it or a customer revolt. No area that deregulated has cheaper power.

is, indeed, at the crossroads.

Who owns the Legislature? Who owns the Governor?

Is this a government of the people - or of NRG and Delmarva Power?

I and many of our members are ready to take our activism to the polls. We will be in attendance at the PSC to see just who to blame.

Rich Baccino Comment – May 3, 2007

From: RICH BACCINO [mailto:delbklab@verizon.net]

Sent: Thursday, May 03, 2007 11:02 PM

To: Nickerson Karen J (DOS)

Cc: Davis Jennifer (OMB); Larson Russell T (LegHall); Hocker Gerald (LegHall); Booth Joseph (LegHall); McDowell Harris (LegHall); gsimpson@udel.edu; Schwartzkopf Peter (LegHall); Smisson Charlie T. (DNREC)

Subject: PSC Docket No. 06-241 (Delmarva Power RFP)

Commissioner McRae
Commissioner Conaway
Commissioner Lester
Commissioner Winslow
Commissioner Clark
Executive Director Burcat

Bravo to your staff for a professional and unbiased review of the current proposals for the future of Delmarva's power supply. The use of wind power, backed by natural gas generation during periods of slack wind and/or high demand, is a choice for successful transition to clean, renewable energy sources coupled with reliable fossil fuel use only on an as-needed basis.

Please have the courage to formally adopt the findings of your staff and direct Delmarva Power to negotiate contracts 'in good faith' with Bluewater Wind and Conectiv (?) for future power supplies. You WILL have the support of the majority of the Delmarva Power customers who have been following this process.

Expensive transmission lines do not equal additional power generation supplies or guarantee price stability.

Conservation is an important factor, but it is not a stand-alone solution to meeting future power needs.

My next letters will be to the State legislators who will have the opportunity to support your important decision or buckle to the intense lobbying of Delmarva Power and NRG who seek to abandon all of the positive effort to date.

God be with you in your deliberations and decision making.

Rich Baccino, P.E. (retired)
Rehoboth Beach

Rich Baccino Comment – May 4, 2007

From: RICH BACCINO [mailto:delblklab@verizon.net]

Sent: Friday, May 04, 2007 10:41 AM

To: jmontgomery@delawareonline.com

Cc: Nickerson Karen J (DOS); rwilliams@delawareonline.com; Larson Russell T (LegHall); Schwartzkopf Peter (LegHall); Booth Joseph (LegHall); Davis Jennifer (OMB); McDowell Harris (LegHall); gsimpson@udel.edu; Hocker Gerald (LegHall)

Subject: N-J May 4: Criticss raise objections to PSC's plan

Hey Jeff,

What is it about politicians and their ability to decide what's best for the consumer? It's certainly not their penchant for the old - why pay now when you can pay later (when I'm no longer in office).

Case in point - the whole sordid Delmarva Power case for "we don't need no stinkin' long range power supply contracts" - especially if they are not from Conectiv and not fossil fuel based.

You would think that after 'surviving' the Delmarva 59% increase with the voters (fool me once), the State politicians would see the value in paying now, such as for the construction of off-shore windmills, rather than the unknown certain increase in fossil fuel costs (both supply and environmental) surely to arrive in the future.

What's a 22% increase in power supply rate mean to the average consumer after surviving a 59% increase?

Conservation will surely become self-motivated rather than legislated.

BTW - attached is a copy of my e-mail to the PSC urging them to follow through with the sound recommendations of their PROFESSIONAL staff.

Rich Baccino

Rehoboth Beach

RECEIVED
07 MAY -2 AM 11:39
DELAWARE P.S.C.

April 30, 2007

Arnetta McRae, Chair
Delaware Public Service Commission
861 Silver Lake Boulevard
Canon Bldg Suite 100
Dover, DE 19904

Dear Ms. McRae,


I'm writing in support of the offshore wind power generation option for the future power supply for Delmarva Power. I have reviewed the coal plant, natural gas plant, and wind farm generation options and strongly favor the latter.

Wind power produces the least pollution, has the least negative impact on the environment, and in the long run is the least expensive. It's renewable!

The added potential benefit is that wind power would establish Delaware as a leader in new power generation at a time when citizens are becoming increasingly sensitive to the cost of energy and increasingly knowledgeable about power supply industries and indirect costs.

Again, I urge to consider wind power generation for the future of Delaware.

Thank you,


Julie Brewer
122 Broadbent Rd.
Wilmington, DE 19810
302-529-0881

May 2 2007

The Honorable Arnetta McRae
Chair, Public Service Commission

The Honorable John Hughes
Secretary, Delaware Department of Natural Resources and Environmental
Control

The Honorable Jennifer J. Davis
Office of Management & Budget

The Honorable Russell T. Larson
Controller General

Dear Chairwoman McRae:

We are writing in support of Bluewater Wind's application to contract with Delmarva Power & Light to provide clean, reliable, and stable-priced energy, both for our communities and for DP&L customers. Bluewater Wind's proposal is the only one that can guarantee prices for 20-25 years, as well as avoid all harmful pollution.

Earlier this week, Bluewater Wind Delaware, LLC reached agreement with the Delaware Municipal Electric Corporation (DEMEC) to provide over 100 million kilowatt hours of energy annually. This contract is a commitment by DEMEC of \$200-\$300 Million in electricity payments over 20 years. Our nine communities are served by the member utility companies of DEMEC and by signing a long-term agreement with Bluewater Wind, DEMEC is helping us control our budget, and improve our environment and our citizens' health.

As the wellbeing of our communities depends so much on the quality of Delaware's natural environment, the threat of global climate change to our communities is very real. We believe every Delaware public official should commit to reducing harmful emissions, stabilize volatile energy prices, and promote energy security and job creation through locally-produced power.

DEMEC can obtain electricity, capacity, and Renewable Energy and Carbon Credits *only* if Bluewater Wind reaches agreement with DP&L. Your decision on May 8 will govern how our communities obtain these energy and environmental benefits. As you know, the first step toward giving our communities the advantages of clean, stable-priced offshore wind energy is to select Bluewater Wind to negotiate with Delmarva Power.

Negotiations between Bluewater Wind and DP&L starting on May 8th will best guarantee the future financial and physical health of our communities.

Sincerely,

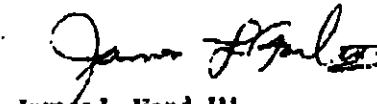

Vance Funk
City of Newark



Joseph Ronnie Rogers
City of Milford


John F. Klingmeyer
City of New Castle


Edward H. Butler
City of Seaford


Kenneth Branner, Jr.
Town of Middletown


James L. Ford, III
City of Lewes


Wayne Stover
Town of Clayton

cc: Governor Ruth Ann Minner
Members of the Delaware Public Service Commission
Members of the Delaware General Assembly

Nicholas DiPasquale Comment - May 2, 2007

Karen J. Nickerson
Support Services Administrator/
Secretary to the Commission
Delaware Public Service Commission
861 Silver Lake Blvd.
Cannon Bldg., Suite 100
Dover, DE 19904
Phone: 302-739-3226
Fax 302-739-4849
SLC - D420C

-----Original Message-----

From: nicholasdi@comcast.net [<mailto:nicholasdi@comcast.net>]
Sent: Wednesday, May 02, 2007 12:21 AM
To: Nickerson Karen J (DOS)
Subject: Additional Comments on RFP/IRP

Karen, attached please find a copy of my testimony to the Senate Energy & Transit Committee on the Sustainable Energy Utility Task Force Report and related legislation. I believe this has bearing in the RFP/IRP in that this report and recommendations are being presented as an alternative to the selection of one of the projects for new generation.

Thanks, Nick

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Nicholas A. DiPasquale
45 Shady Lane
Dover, DE 19901
302.697.3320 (H)
302.423.4140 (C)
nicholasdi@comcast.net



DELAWARE AUDUBON SOCIETY

Chapter of National Audubon
Box 1713, Wilmington, Delaware 19899
302-428-3959
www.delawareaudubon.org

**Testimony before the
Senate Energy and Transit Committee
presented by
Nicholas A. DiPasquale, Conservation Chair
Delaware Audubon**

**Wednesday, May 2, 2007
Senate Hearing Room
2:30 pm**

My name is Nicholas A. DiPasquale, Conservation Chair for Delaware Audubon. Delaware Audubon appreciates the opportunity to provide comment on the recommendations of the Sustainable Energy Utility Task Force as embodied in the four legislative proposals under consideration by the Committee at today's hearing.

Delaware Audubon was incorporated in Delaware as a non-profit organization in 1977 and is a statewide chapter of the National Audubon Society. The Audubon Society is dedicated to developing a better appreciation of our natural environment and working for species and habitat protection and conservation.

Delaware Audubon consists of approximately 1,500 members throughout the state advocating on a wide range of environmental issues and sponsoring programs, field trips and school education. Our focus is on protection of the Delaware Bay and the Coastal Zone. Our organization has long supported energy efficiency and conservation and the use of renewable sources of energy. Our organization has closely followed and participated in recent proceedings of the Public Service Commission related to the Integrated Resources Plan and Request for Proposals for new energy generation in the state. Given the recent reports issued by the International Panel on Climate Change (IPCC), those proceeding and the recommendations of the Sustainable Energy Utility Task Force have taken on even greater importance and urgency. We offer the following observations and comments:

1. Delaware Audubon supports Senate Bill 8 An Act to Amend Title 26 of the Delaware Code relating to "Net Energy Metering." This bill would increase the cap on customer-sited residential and commercial renewable electric generating

applications from the current limit of 25 kilowatts to 2 megawatts. This proposal would result in a larger number of participants and greater cost savings and energy conservation.

2. Delaware Audubon supports Senate Bill 18 An Act to Amend Title 29 of the Delaware Code to create a Sustainable Energy Utility in the State of Delaware. We recommend, however, that the Oversight Board include adequate representation from public interest environmental and civic organizations that have called for increased energy conservation, energy efficiency and use of renewable sources of energy for more than 30 years. Lack of representation from these interests will jeopardize the credibility of the SEU.

Delaware Audubon commends the Task Force for including *all energy consumers using all fuels*. As much as we support these efforts, we believe that establishing a goal to enable 30% savings in household and company energy use, with 33% of Delawareans participating by 2015, while laudable, may be overly optimistic.

We also question the accuracy of the claim that "strategies that build cleaner energy facilities to meet future demand growth can only slow, delay or flatten future CO₂ releases." This statement fails to recognize that new non-carbon emitting, clean generation will replace aging carbon emitting fossil fuel generation as these facilities are forced to shutdown because they will be required to meet newly adopted and more stringent controls for traditional pollutants such as NO_x, SO_x, Mercury and Fine Particulate, as well as inevitable carbon controls under the RGGI and possibly federal carbon taxes. This statement also fails to recognize that wind energy enjoys a dispatching preference above fossil fuel energy sources.

3. Delaware Audubon supports Senate Bill 19 An Act to amend Title 26 of the Delaware Code relating to the Renewable Energy Portfolio Standard (RPS). This bill will increase the required minimum percentage of electrical energy sales to Delaware end-users from renewable energy sources, create a solar set-aside, and increase the alternative compliance payment. Delaware Audubon supported the original RPS and argued at that time for a more aggressive RPS requirement. This proposal more than doubles the current requirement.
4. Delaware Audubon supports the proposed Senate Bill 35 An Act to amend Title 26 of the Delaware Code, which will double the Green Energy Fund mill rate to \$0.000356 per kilowatt-hour. This proposal results in a minimal increase in monthly electrical rates and provides substantial additional resources to support alternative energy projects.

Additional Comments: While Delaware Audubon is encouraged by and supportive of the Sustainable Energy Utility Task Force recommendations, we would like to add that this program does not obviate the need for additional carbon-free electrical generation. Delaware Audubon is on record as supporting the offshore wind energy proposal

submitted by Bluewater Wind in response to the state RFP. We believe this additional generation is necessary for the following reasons:

1. The Independent Consultant's Interim Report to the PSC on the Integrated Resources Plan states that Delmarva Power did not consider the potential shutdown of the two older units at Indian River in the event that NRG's proposed IGCC project was not constructed. Delaware Audubon previously made this point in testimony to the PSC. Contrary to NRG's assertions, we believe the shutdown of Units 1 & 2 at the Indian River plant is highly likely if NRG is to meet the state's recently enacted multi-pollutant regulation.
2. As mentioned earlier, the recent fourth assessment reports of the IPCC clearly indicate the need for bold and decisive action. Only one of the three proposed projects, Bluewater Wind's offshore wind power project, is a carbon-free alternative that will put us on the road to addressing the potentially catastrophic impacts global climate change. This project also promises to provide good paying jobs and a trained workforce for the leading edge of a new industry that could be developed first in Delaware.
3. Surveys conducted by the University of Delaware indicate widespread acceptance of wind energy and suggest that the public is willing to pay more for this alternative.
4. Two independent estimates suggest that the increase in electric utility rates for the wind power project would be in the range of \$5 to \$6 per month. This amounts to really cheap insurance when you consider the health and environmental benefits of wind energy over the two fossil fuel alternatives. This proposal offers the most stable pricing of all of the alternatives since fuel prices are fixed over time at \$0.00.
5. The proposed wind energy project would help fulfill the more aggressive RPS requirements contained in SB 19.

Delaware Audubon appreciates the opportunity to provide the Committee with our comments on the recommendations of the Sustainable Energy Utility Task Force and the proposed enabling legislation.

Carol Dobson Comment – May 2, 2007

From: Carol Dobson [mailto:caroldob@gmail.com]
Sent: Wednesday, May 02, 2007 10:55 AM
To: Nickerson Karen J (DOS)
Subject: Green, Clean Energy Now

Dear Ms. Nickerson:

I am writing to you and each of the PSC commissioners now to reiterate my position that the PSC commissioners have a once-in-a-lifetime chance to do what is right and just for all of us residing in Delaware and nearby by selecting Blue Water Wind as the company to begin developing a contract with Delmarva Power. The commissioners' deliberations each step of the way with this process has been carefully tended to by staff and I have great appreciation for this work. Citizens, the key stakeholders, have and continue to be actively involved drawing upon our collective talents and skills, especially our professional backgrounds and personal commitments to make this state healthier, safer, cost effective, and, most of all, smart and wise to become the First State to Bring Offshore wind Power to the Atlantic Ocean. The time is NOW to act for all of us...our health and well-being depends upon wise politicians to do what is right to take actions when they can to ameliorate the toxic poisoning happening now to our environment. The PSC has an opportunity to do now what no other PSC has been faced with and the response must be for the benefit of the health and well-being of the citizens.

Please do not make the mistake of selecting no proposal. The time, effort, and money spent so far must be put to good use.

The IRP should include offshore wind with existing natural gas as a back-up and coal as a back-up if NRG will clean up the plant.

Please copy this message for each commissioner today.

Thank you.

Sincerely,

Carol Dobson
33770 Woodland Circle
Lewes, DE 19958

Nick Edge Comment – May 8, 2007

From: Nick Edge [mailto:nickonpearl@verizon.net]
Sent: Tuesday, May 08, 2007 7:13 PM
To: Nickerson Karen J (DOS)
Subject: Bluewater - conectiv

Hi Karen,

Could you please register me & family as a real positive vote to you newest proposal to let Bluewater & Conectiv be our state's best approach to our electricity needs in the future. I heard Delmarva Power's response this morning on NPR & was thinking it is 'business as usual' for them. Let's do nothing basically & let the demand for electricy keep going up.

We have the chance to introduce this Eastern Shore community with "WIND POWER". Get it paid for & the rest is free. It is a resource for ever. No boats to bring us oil.

Lets lead us out of the legacy starting this week.....VOTE CLEAN ENERGY or as clean as possible. DO NOT LISTEN TO DELMARVA POWER!!!!!!

Nick Edge
Lewes, DE

Thank You Jack Markell for being a "true" representative of oup people.

Nick Edge
Lewes, Delaware

Karen..... please copy to all your commissioners

Kim Furtado Comment – May 1, 2007

From: Kim Furtado [mailto:npih2001@yahoo.com]

Sent: Tuesday, May 01, 2007 11:06 AM

To: Schwartzkopf Peter (LegHall); Hocker Gerald (LegHall); Booth Joseph (LegHall); Bunting George (LegHall); Nickerson Karen J (DOS); Walling Lee Ann (Governor); Davis Jennifer (OMB); Larson Russell T (LegHall); Smisson Charlie T. (DNREC); Hughes John A. (DNREC); Feedback (MailBox Resources); McDowell Harris (LegHall); Carey George (LegHall); Longhurst Valerie (LegHall); McWilliams Diana (LegHall); Hall-Long Bethany (LegHall); Mulrooney Michael (LegHall); Walls Robert (LegHall); McBride David (LegHall); Peterson Karen (LegHall); gsimpson@udel.edu; Venables Robert (LegHall)

Cc: Pat Gearity; Austin John; kit Zak; newsroom@capegazette.com; DE State news-editor, sussex post; Willett K; Joan Deaver

Subject: Conservation alone is not good enough for Delaware

Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, DE 19904

Arnetta McRae, *Commission Chair*
Joann Conaway, *Commissioner*
Jaymes Lester, *Commissioner*
J. Dallas Winslow, *Commissioner*
Jeffrey Clark, *Commissioner*

Bruce Burcat, *Executive Director*
Connie McDowell, *Chief of Technical Services*
Karen Nickerson, *Commission Secretary (Please copy ALL Commissioners)*

Dear Public Service Commissioners:

May 1, 2007

In my final commentary on the IRP process, let us focus on the larger picture. Priorities and values can guide you through this last few days. I assume there is a path in your mind already of where your decision is leading you. I want to help you take a step back and look at the priorities that have been expressed by the people of Delaware (who have no financial connection to the fossil fuel or wind bidders)

Priorities that we hold are :ACTION!

I urge you to not yield to the politics of the day by providing "no winning bid". Many people in Delaware who have been so actively engaged and well informed about political alliances within the fossil fuel power structures and our government will be outraged if a no bid is chosen. Moreover, you will send a direct message that the health of residents is **not** your priority.

Another priority we hold is: FAIRNESS!

Legislators passed the bill to require Delmarva Power to sign a long term contract for stable priced electricity. No one said that they should expect to secure a long term contract at the same or lower prices of today's market! And no one said if Delmarva Power fights and resists signing a long term contract for a long enough time that the state government or the legislators would decide, nevermind to the law they passed!

The reality is: Blue Water Wind's bid is competitive with fossil fuel based bids, and exceeds them in the VALUE because of the benefits for health care costs, and low environmental costs incurred by Wind power bid (vs the health care and environmental costs of the fossil fuel bids.) The FAIR act would be a choice between the three bidders that honored the public health protective rights of Delawareans.

To MISS this historical opportunity for wind power to receive a long term contract for affordable power generation, would be beneficial only for the fossil fuel based power companies. They desire "status quo" of not being in DIRECT COMPETITION with renewable, large generation of power.

It would be unfair to the Delaware public to not make a long term contract for stable cost power. It would also be unfair to Blue Water Wind to insist as one consultation report suggested, to re-open the bid to other "renewable only" bidders. If there were a way to ensure that such a process would end up with a long term contract for a large scale sustainable energy off shore wind contract, I could see some potential merit; but from my vantage point that just consists of diversion and unfairness, and I wouldn't trust that because of what I see in this process.

Another priority we hold is: CONSERVATION AND DEVELOPMENT OF LARGE SCALE RENEWABLE INDUSTRY! As a person who used to live in Seattle Washington, I am deeply aware of a HUGE difference in the earth preserving consciousness between residents of Delaware and the residents of Washington State. Heck, most of Delaware doesn't even RECYCLE! Do you really understand the limitations of Sen. McDowell's Task Force's 'conservation only' approach for the reality of Delaware's population!?!?!?!?!?!?!?!?!?!?

Firstly, in an ideal state, with a consciousness of the practices of persons in the state, conservation is widely accepted as a necessary and effective means of practice. There is no doubt Delaware has lots of room to improve, and many areas to conserve. However, with the crisis of air quality, the potential of adverse health effects from fossil fuel based power generation, and the reality of monopoly issues concerning the power company industry, **conservation alone right now is not good enough.** Delaware has an opportunity to lead in developing an industry of renewable offshore wind power, which can provide potentially great economic and environmental benefit to the state.

And how eye opening it is to see the political game played. If the Governor's offices and the PSC would want to "save face" in choosing NO BID (thereby rejecting a viable renewable long term contract, and rejecting their public health protection responsibilities), they likely would also want to endorse a conservation approach to help them look good to some folks in Delaware.

However, I predict many of us will be sure to continue to speak up on behalf of taking REAL ACTION for the health of Delaware. Calling a spade a spade. We do NOT accept policy statements and task force recommendations to replace ACTION and PUBLIC HEALTH SUPPORTIVE Power Generation choices.

Here are the limitations of Senator McDowell's task force recommendations:

- Even with 50% rebate, solar is not feasible as a retrofit for most homes.
- The Delaware public is not yet ready to make the sacrifices, and spend the money, that would be needed in the short term to achieve the goals of the Task Force. From being a person who lived on the West Coast for about 5 years, I have a keen awareness of the type of dedication and level of education required from the entire population to achieve the task force goals.
- The pollution levels on the East Coast require a faster action than the task force goals can provide.
- PSC process has already highlighted the reality that conservation alone cannot address the steadily increasing demand for energy as DE's population and power needs escalate.
- The Task Force summary includes many statements which are hyperbolic, and are not well supported by research.
- To conclude that conservation, solar and other demand side measures can **quickly** reduce emissions, improve health and involve no increase in costs is inaccurate for Delawareans. The program only assumes 30% participation between now and 2019, and for that population projects only a 1/3 decrease in energy demand.
- If the Task Force truly understood the economics of renewable power and conservation issues, it would be recommending long term contracts with renewable energy generators, coupled with intensive conservation efforts.

Much advice from PRO-RENEWABLE energy experts is just that: Level the playing field for larger scale renewables (and support the growth of that industry) **and** promote conservation. The real changes only occur if we can achieve BOTH. It is a shame in my opinion to see the DE Task Force on Sustainable Energy NOT endorsing **WHOLEHEARTEDLY** the development of significant renewable energy resources (OPPORTUNITY) like our off-shore wind resource. It reflects more on the politics of Delaware, than the consensus among those well versed in sustainable energy issues.

Here are some links to support these statements:

http://www.sustainableenergycoalition.org/factoids/factoid_19.html

http://www.sustainableenergycoalition.org/factoids/factoid_20.html CONCLUSIONS:

Despite strong public support and rapidly rising interest in renewable technologies, the U.S. has not kept up with the rapid growth in the sector globally over the past decade. Rising oil prices, security risks associated with petroleum dependency, and the increasing environmental costs of conventional fuels provide growing incentive for the United States to expand its renewables use. However, if the U.S. is to join the world leaders in renewable energy — among them Germany, Spain, and Japan — it will need world-class energy policies based on a sustained and consistent policy framework at the local, state, and national levels.

<http://www.iucn.org/themes/law/pdffdocuments/Energy-Law/ENERGY-PUB-prelims.pdf>

<http://www.nirs.org/alternatives/sustainableenergyblueprint.pdf>

http://www.sustainablebusiness.com/features/feature_template.cfm?ID=1344&page=1 Western Governors Adopt Clean Energy Resolutions

Western governors committed on Sunday to try to improve energy efficiency, bring on-line substantially more clean energy resources, and ensure there is adequate transmission available at a reasonable cost well into the future. The governors' commitment stemmed from a newly

released report from their Clean and Diversified Energy Advisory Committee (CDEAC), which included 38 recommendations relating to energy efficiency and renewable energy, as well as a number of recommendations relating to electrical transmission and advanced power generation from fossil fuels. The clean energy recommendations involve market incentives; regulatory policies; transmission access and pricing; regional efforts; and national policy recommendations. The governors resolved "to draw upon the full range of recommendations contained in the CDEAC report as a basis on which to advocate for energy policy changes at the federal and regional levels and their respective states, where appropriate."

In a separate resolution, the governors emphasized the need to reduce our nation's reliance on foreign oil and resolved to promote the use of regionally produced clean fuel substitutes. The resolutions were the first official acts of the Western Governors' Association (WGA) Annual Meeting, which concluded yesterday in Sedona, Arizona. See the WGA press release; the policy resolutions on clean energy ([PDF 35 KB](#)) and clean fuels ([PDF 28 KB](#)); and the CDEAC report ([PDF 1.1 MB](#)).

<http://www.westgov.org/wga/policy/06/clean-energy.pdf>

<http://www.westgov.org/wga/meetings/am2006/CDEAC06.pdf>

Many of those who are well read and have historical perspective on the OBSTACLES faced by the fledgling renewable power industry see this tactic clearly.

Here's the tactic: "Let's applaud the values of renewables and conservation with our words and task force goals, but let's not change anything about the "power structure" of fossil fuel giants who prefer a monopoly like game. Don't embrace the larger scaled renewable projects. Just give political words of alignment with renewables and conservation, without making the choices to support larger scale renewables as an industry."

Read about conservation and renewable power initiatives history, and you can see right through this tactic.

We need new energy sources. Long-term contracts plus short term contracts are a sound supply side hedge against price instability and price spikes.

Offshore wind is a free, stable, clean, disease free, DOMESTIC source of energy. Delaware is in the enviable position of being able to grab this opportunity now.

We need a comprehensive approach to solve the problems, and the requirement of the bill to make a long term contract for Delmarva Power to stabilize costs is a step in the right direction.
Prioritize our energy resources, with the health and welfare of the citizens to come first!

Choose to contract with Blue Water Wind, and this new power source will be part of the conservation efforts and education needed to get the real changes we need to see. Natural gas and coal already exist in Delaware to say the least, and serve their role. But we do not need to continue to invest with long term contracts with disease contributing power sources, if only we

can make room at the table for large scale renewable power like Blue Water Wind. And we certainly do not need to sit by and do nothing.

If you send this process back to the "drawing board", and if you do not choose wind power, your legacy for the state of Delaware history will be "a failure to do right by the health and welfare of its citizens". Over these months of participation and impressions which I have gotten at meetings and interactions, this is not a legacy that I feel suits you at all. I feel your destiny is more linked with doing the right thing by the health of the citizens.

Please do not let in old tactics that shortsightedly keeps renewable power generation to be marginal and non-competitive with fossil fuels.

Please do not let the darkness of political alliances between our government and the power company's worlds overshadow the needs and voices of the citizens. We need leadership from the Governor and her offices to prevent the citizen's health care and environmental concerns from being overshadowed and ignored. Her alliances matter. And we are paying attention to see evidence that her alliances lay with the people. That evidence of allegiance to the health of Delawareans would be to see her offices and the PSC choose BlueWater Wind's proposal. Please listen to the legislators whose alliances lay with the people of Delaware and who support the Blue Water Wind Proposal.

Know that for our sustainable future, the experts (maybe outside of the DE Task Force on Sustainable Energy) support **both** large scale renewable energy production **AND** conservation.

We are counting on you. Please choose Blue Water Wind's Bid.

Sincerely,
Kim Furtado, N.D.
35252 Hudson Way Unit 2, Rehoboth Beach DE 19971

I know it is possible that we will make it, that we will create a sustainable economy that protects the living systems of the Earth, that we will come to be part of the world's repair. The power of darkness in our world is great, but it is not as great as the power of the human spirit. We can learn to provide for our needs and limit our numbers while cherishing this beautiful planet and its creatures. It is in our nature to honor the sacredness of life. What is at stake today is enormous; it is the destiny of life on Earth. At such a time, walking a path of honoring ourselves and the living planet is our responsibility as citizens of the planet, but it is something more, as well. It is also a joy, and a privilege. John Robbins, *The Food Revolution*

cc:
Governor Minner
John Hughes
Phil Cherry, Delaware Energy Office
Russ Larson, Controller General's Office
J.J. Davis, Office of Management and Budget
Harris McDowell, III Chair, Energy and Transit Committee
and others.

Robert Kraver Comment - April 28, 2007

From: bob kraver [mailto:bkraiver@yahoo.com]

Sent: Saturday, April 28, 2007 2:48 PM

To: Nickerson Karen J (DOS)

Subject: Blue Water Wind

Good Day Ms. Nickerson,

I am sending you this message to let you and the commission know that I am a Delaware resident who strongly supports Blue Water Wind as a source for part of Delaware's power needs. It is essential that we, as a state, and as a nation, develop clean, renewable energy, and wind is the epitome of this ideal. We must start planning now for the long term future, and wind power is a step in the right direction.

Please pass this view onto other decision makers on your commission.

Thank you for your time.

Robert Kraver
703 Fiske Ln
Newark DE 19711

Diane Maddex Comment – May 3, 2007

From: Dimaddex@aol.com [mailto:Dimaddex@aol.com]
Sent: Thursday, May 03, 2007 10:22 AM
To: Nickerson Karen J (DOS)
Subject: Energy Decision

Dear Karen,

I wholeheartedly support the recommendation of the PSC staff report to include clean wind power in Delaware's future energy plans. Delaware has an unparalleled opportunity to be a national leader in moving toward more sustainable means of generating power.

Please convey my support to all members of the Public Service Commission.

Those of us here in Sussex County who must live with the unhealthy output of the Indian River Power Plant particularly endorse all means of clean energy. I'd like to recommend that the state do much more to encourage the use of solar energy in all the new construction going up here.

Sincerely,

Diane Maddex, Hon. AIA
President
Archetype Press
P.O. Box 669
Bethany Beach, DE 19930-0669
302-537-1900
302-537-1175 fax
dimaddex@aol.com

Thomas Noyes
1903 Delaware Avenue #1
Wilmington, DE 19806
302 652 3241
tomnoyes@gmail.com

May 2, 2007

Ms. Arnetta McRae
Chair
Delaware Public Service Commission
861 Silver Lake Blvd.
Dover, DE 19904

Re: PSC Docket 07-20, Integrated Resource Plan

Dear Ms. McRae:

Having reviewed the docket and considered the economic risks to Delmarva's customers, I conclude that the public interest is best served by building a wind power facility to reduce the exposure to price increases borne by ratepayers. My views are informed by my experience in government negotiating environmentally complex, capital-intensive, long term contracts, and by the analytical tools I gained while earning an MBA in finance.

More specifically, I conclude (1) that Delmarva's stated preference for continuing to buy energy via three year auctions would not provide any price protection to its customers, and (2) opting for wind power would contribute to price stability for Delmarva's customers.

1. Three year auctions would not enhance price stability.

Delmarva's proposed IRP includes several key elements: demand side management (DSM), upgrades to transmission capacity, adding 125 MWs of generation capacity and continuing to purchase power via three year auctions. Delmarva's preference for continuing to rely on three year contracts is clearly stated in its Response to Comments on the IRP (March 23, 2007):

"To reduce price volatility and obtain competitive energy prices for RSCI SOS customers, the IRP recommends continuation of a procurement strategy that relies on multiple suppliers competing through an auction process for three year full requirements contracts to serve a percentage of RSCI SOS load."

While I agree with the importance of DSM, and support the creation of a Sustainable energy utility (SEU), I do not agree that auction purchases of energy is in the best interests of Delmarva's customers. Even with DSM, continuing to rely on the auction process would leave ratepayers exposed to price volatility.

In comparing risks of price stability, Delmarva's consultants assigned a "N/A" rating to the Conectiv Base proposal—the same rating given to Bluewater Wind. I find this methodology flawed; Delmarva's SOS customers are already exposed to considerable market risk. Instead of demonstrating that the current procurement practice provides the best possible price stability, it appears that Delmarva's consultants simply *assumed* that to be the case. This assumption is unwarranted. Unlike gas or coal, we know that the cost of wind is not expected to increase over the next 25 years.

On this point, it is important to distinguish between Delmarva's risks and those of its customers, who are now exposed to considerable risk of fuel price increases. It is understandable that Delmarva's management would be concerned about the financial obligations imposed by a long term contract. In rating the financial strength of utilities, Standard & Poor's has traditionally imputed debt for long term purchased power agreements (PPAs). In other words, S&P calculates a risk factor or percentage of the net present value of PPAs with terms of three years or longer, and treats it as being similar to debt. Last year, S&P announced that it "is abandoning its practice of not imputing debt for purchased power agreements (PPAs) with terms of three years or less."

S&P's offers this rationale for its announcement:

"Because expiring contracts must be replaced with either debt-financed capacity additions or replacement PPAs for regulated utilities to meet load serving obligations, Standard & Poor's must look beyond the termination of near-term and intermediate-term contracts to approximate the fixed obligations that will succeed the current contracts in evaluating a utility's financial profile.

In other words, utilities cannot escape the reality of long term obligations even if they choose to meet those obligations with short term purchases of power. While a long term supply contract creates a risk for the company, purchasing power every three years is not without risk. Specifically, three year purchases of power leaves Delmarva's customers more exposed to the risk of future price increases—which is precisely the risk that the RFP is intended to ameliorate.

Delmarva has said that it does not want to engage in a long term process as envisioned in the RFP, citing the risk of lower than projected demand from SOS customers. It is understandable that Delmarva would not want to contract for more electricity than it can sell to its customers. Here we see another advantage to wind power: It is scalable. The unit cost of 200 MWs isn't much different from the unit cost of 600 MWs. The size of the proposed wind farm is an issue that could easily be addressed in contract negotiations with Bluewater Wind. On this point, the announcement today that the Delaware Municipal Energy Corporation has agreed to buy \$200 million to \$300 million of electricity from Bluewater Wind over a twenty year period should significantly reduce the risk to Delmarva.

Ms. Arnetta McRae
May 2, 2007
Page 3 of 3

2. *Wind power would contribute to price stability.*

Including wind power as part of Delaware's generating capacity would help protect customers from future increases in the costs of fossil fuels. According to the U.S. Energy Information Administration, the price of Brent crude oil climbed from \$13.08 per barrel in January, 1978 to \$63.93 last month. The wellhead price of natural gas, measured in dollars per thousand cubic feet, increased from \$0.54 in 1975 to \$6.66 in February. There is no reason to believe that the price of oil and natural gas will not continue to climb in the future, apart from any future changes in required emissions controls.

The costs of these future controls will be considerable. The technology of carbon sequestration is in its infancy. Perhaps the best estimate of the cost of carbon controls can be found in a study from MIT titled "The Future of Coal," which estimates that carbon sequestration is likely to increase the cost of electricity by 27 percent and reduce effective power generation by 19 percent. ("The Future of Coal," p. 30, <http://web.mit.edu/coal/>)

NRG and Conectiv seek to place the entire economic burden of compliance with future controls on carbon emission squarely on the shoulders of consumers. Conectiv is seeking recovery of possible future carbon taxes. The PSC's consultants have noted that NRG has proposed an exception from provisions that it "absorb any additional environmental compliance costs caused by a change in law," and its "proposed pricing for [carbon] sequestration is essentially a cost pass-through proposal that is inconsistent with the RFP requirements."

In conclusion, I am increasingly convinced that price stability is the crucial consideration, in which we see the public's environmental and economic aligned. To the extent that Delmarva continues to rely on three year auctions, its customers will remain vulnerable to price volatility. Wind power is the best long term option for protecting ratepayers from future price shocks.

Thank you for the opportunity to offer my views on this important decision.

Sincerely,

A handwritten signature in black ink that reads "Tom Noyes". The signature is written in a cursive, slightly slanted style.

Thomas Noyes

Howatt Robert (DOS)

From: Carol A. Overland [overland@redwing.net]
Sent: Wednesday, May 09, 2007 11:25 AM
To: Howatt Robert (DOS)
Subject: Staff Recommendation

I know I've said this before (yesterday) and will probably a few times again in the future, but this recommendation is so very well done. I'm starting at p. 68 to clarify for myself and the world what was actually recommended, and then applying the PSC modifications, and as I go over this, I'm struck AGAIN by the delightfully broad and dead-on policy base. I rarely agree with regulatory staff -- there was a time in MN during the Ventura administration when it was good, but it has reverted and is going from bad to worse. This is SUCH a breath of fresh air.

Carol

p.s. And since when does any regulator give a rodent's rump about reactive power! Amazing. It's a huge issue in MN where Xcel has all the big transmission, transmitting electricity from big plants over long distances, an inherent reactive power problem, and Minnesota Power has been the one taking up the slack to keep the system stable, paying the price. Now they're fighting about it a bit. But this is going to become more of a problem as more large transmission lines are built and utilized for bulk power generation -- that destabilizes the system. Local distributed generation is the only way to beef up and stabilize the grid system.

p.p.s And just to be balanced (I), talk of "rolling blackouts" isn't necessary -- it's a scare tactic. If you review the reports from blackouts (used in midwest to justify all sorts of unnecessary and awful projects) you'll see that it's off-peak overloading of lines for bulk power transfer and then system operators not responding correctly, ignoring NERC rules while trying to get those market transactions pushed through. grrrrrrrrrrrr.

--
Carol A. Overland
Attorney at Law
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P.O. Box 176
Red Wing, MN 55066

(612) 227-8638

overland@redwing.net
www.legalelectric.org

5/9/2007

MAY 8, 2007

Letter to Delaware Public Service Commission (PSC)

c.c. Gov. Minner
Rep. G. Hocker
Gary Stockbridge
Jeremy Firestone

ELECTRICITY DELIVERY

As a 35 year veteran of electricity delivery w/ PECO & PJM Interconnection Office (The Grid) I would like to offer a few comments regarding three (3) articles in the WNJ'S May 6 Perspective (Pg A11) in order to avoid gridlock in Delaware & elsewhere going forward.

- 1). The PSC should instruct Delmarva Power to coordinate efforts to meet its Customer's needs w/ the PJM Grid). PJM has the tools to help its member Co's determine the most economical mix of generation, which must be operated safely & within transmission limits.
- 2). Short term- Delmarva should consider all options to carry the forecast summer peak load including conservation and buying power from outside Delaware. The move of the Planned Natural Gas Plant to Southern Delaware is a good one.
- 3). Long Term - Delmarva should consider Offshore Wind Power but, more importantly, reliable base load, generation installed on the southern part of the Peninsula. This base load generation must be available during summer peak load periods and be cleaner than Indian River Plants. Ultimately, this plant should be connected to the high Voltage 500KV line proposed by PEPCO & Connectiv in 2006.

This line would presumably be put on a "FAST TRACK" as part of DOE's National Interest Electric Transmission Corridor Designations, per the Energy Policy Act of 2005. Meanwhile, let's insure the Peninsula's growing peak loads are served reliably in 2007, 2008, & 2009.

Sincerely,



Bill Patterson
(302) 537-5960
e-bettspat@aol.com

Coralie Pryde Comment - April 18,, 2007

From: Coralie Pryde [<mailto:prydeca@voicenet.com>]
Sent: Wednesday, April 18, 2007 5:37 PM
To: Nickerson Karen J (DOS)
Subject: Energy Bids

Dear Ms. Nickerson:

Please forward my comments to members of the PSC. I have attached them in PDF form as well as a Word document.
Coralie Pryde

To members of the PSC:

I urge you to approve the bid by Bluewater Wind and to ensure that Delmarva Power works with this company in good faith. Doing this will allow Delaware to become a national leader in promoting clean, safe, renewable energy that can lead to a measurable reduction in our emissions of carbon dioxide.

There are NO OTHER acceptable answers. Allowing Delmarva to decide that they will accept none of the bids is not satisfactory. A significant amount of money was spent on the energy bid process, along with a great deal of time. This process was obviously engineered by Delmarva to make sure that they got the answer they wanted: no new supplier. This is unacceptable behavior and it is likewise unacceptable that Delmarva's customers will now have to pay for a flawed and dishonest process from which they will derive no benefit. If the Bluewater bid is accepted, we will benefit by having an environmentally sound source of energy that will not increase in price as the cost of fossil fuels increases.

The Conectiv bid is economically unacceptable both because of the rapidly rising cost of natural gas and the strong possibility of a "carbon tax" being imposed within a few years.

The NRG bid is totally and completely unacceptable for a number of reasons:

- NRG's failure to supply requested information and their failure to make required improvements in their existing plants should disqualify them from consideration for at least a decade.
- The proposed IGCC process is not properly tested and is very expensive. A similar type of facility proposed in Minnesota was found unacceptable by the judge examining the bid.
- NRG's claim that it can sequester 65% of the carbon dioxide is not backed by any realistic studies.
- The plant would still emit far more mercury than the minimum that could be attained by any coal-burning plant using the best-available technology.
- Statements by NRG employees at the two public hearings I attended (Wilmington and Georgetown) were dishonest in their dismissal of the hazards of mercury and coal soot and in the inaccurate numbers that they applied to off-shore wind energy.

Respectfully,

Coralie Pryde

Carol Scheff Comment – April 18, 2007

From: fizzed1947@comcast.net [mailto:fizzed1947@comcast.net]

Sent: Wednesday, April 18, 2007 3:18 PM

To: Nickerson Karen J (DOS)

Subject: BWV

Karen,

Please, DON'T GIVE UP ON THE PROCESS. I urge you to approve BWV's bid, then let Delmarva Power sit down and negotiate their differences/concerns with a PSC staffer in the room, so that everyone acts in good faith.

I am convinced that BWV is best for Delaware.

Regards,

Carol J. Scheff

Eve Tahmincioglu Comment - May 4, 2007

From: Eve Tahmincioglu [mailto:justeve@verizon.net]
Sent: Friday, May 04, 2007 7:32 AM
To: Nickerson Karen J (DOS)
Cc: Charles Copeland; Diana McWilliams
Subject: we support the wind farm

Arnetta McRae
Chair
Delaware Public Service Commission

Dear Arnetta,

I wanted to give you my whole-hearted support for the wind farm in order to generate electricity. I thought I should drop you a note to let you know that many of us in the community support your efforts and hope the PSC will stand tall against Delmarva Power, a company that has become focused mainly on the bottom line and not the needs of its customers or the environment. Deregulation has left consumers at the mercy of this company, but I hope efforts to lower the cost of electrical power and help our environment won't be derailed.

I listened to a segment on National Public Radio this morning and Delaware's efforts to build a wind farm were the highlight. This a our chance to step out in front on the environmental issue and show the nation that Delaware is ahead of its time. I really believe the wind farm is the best alternative.

Good luck on Tuesday. Just know, many of us are behind you.

Best,

Eve Tahmincioglu
Liftwood Estates Civic Association President
(302)762-5366
Anthony D'Ambrosio
Liftwood Estates Civic Association Vice President
(302)290-4019

Treasure Quest Comment – April 20, 2007

From: TreasureQuest Shoppe [mailto:bill.wj@verizon.net]

Sent: Friday, April 20, 2007 1:20 PM

To: Nickerson Karen J (DOS)

Subject: Support for Wind Energy

Karen, I support spending our tax dollars and our personal energy dollars for Wind Energy and definitely not supporting coal power plants.

Could you please forward this onto each of the PSC Commissioners. Thank you, Bill Winkler, Sr.

101 B Atlantic Ave.

Ocean View, DE 19970

302-537-5334